



C o u n t y o f S a n L u i s O b i s p o

## GENERAL SERVICES AGENCY

Janette D. Pell, Director

Helen McCann, Department Administrator

### REQUEST FOR PROPOSAL PS- #1151 NEXUS STUDY FOR INCLUSIONARY HOUSING AND LINKAGE ORDINANCE

September 23, 2011

The County of San Luis Obispo (County) is currently soliciting proposals for professional services for a **Nexus Study for Inclusionary Housing and Linkage Ordinance**.

Each proposal shall specify each and every item as set forth in the attached specifications. Any and all exceptions must be clearly stated in the proposal. Failure to set forth any item in the specifications without taking exception may be grounds for rejection. The County reserves the right to reject any and all proposals and to waive any irregularity or informality in any proposal or in the Request for Proposal process, as long as, in the judgment of the County, such action will not negate fair competition and will permit proper comparative evaluation of the proposals submitted.

This Request for Proposal is posted on the County's Purchasing website at [http://www.slocounty.ca.gov/GSA/Purchasing/Current\\_Formal\\_Bids\\_and\\_Proposals.htm](http://www.slocounty.ca.gov/GSA/Purchasing/Current_Formal_Bids_and_Proposals.htm). Any changes, additions, or deletions to this Request for Proposal will be in the form of written addenda issued by the County. Any addenda will be posted on the website. Prospective proposers must check the website for addenda or other relevant new information during the response period. The County is not responsible for the failure of any prospective proposer to receive such addenda. All addenda so issued shall become a part of this Request for Proposal.

If your firm is interested and qualified, please submit four (4) hard copies and one (1) electronic copy (on CD) of your proposal on Monday, October 24, 2011 by 3:00 p.m. to:

County of San Luis Obispo  
Phill Haley, GSA - Purchasing  
1087 Santa Rosa Street  
San Luis Obispo, CA 93408

If you have any questions about the proposal process, please contact me. For technical questions and information contact Dana Lilley at (805) 781-5715.

All questions pertaining to the content of this Request for Proposal must be made in writing via e-mail to Dana Lilley at: [dlilley@co.slo.ca.us](mailto:dlilley@co.slo.ca.us). All questions will receive a response within two (2) business days. The question and its response will be posted (anonymously) on the County's Purchasing web site located at: [http://www.slocounty.ca.gov/GSA/Purchasing/Current\\_Formal\\_Bids\\_and\\_Proposals.htm](http://www.slocounty.ca.gov/GSA/Purchasing/Current_Formal_Bids_and_Proposals.htm). The County reserves the right to determine the appropriateness of comments / questions that will be posted on the website.

PHILL HALEY

Buyer – GSA - Purchasing

[phaley@co.slo.ca.us](mailto:phaley@co.slo.ca.us)

**NEXUS STUDY FOR INCLUSIONARY HOUSING AND LINKAGE ORDINANCE****LOCAL VENDOR PREFERENCE**

The County has established a local vendor preference. When quality, service, and other relevant factors are equal, responses to Requests for Proposals will be evaluated with a preference for local vendors. Note the following exceptions:

1. Those contracts which State Law or, other law or regulation precludes this local preference.
2. Public works construction projects.

A "local" vendor preference will be approved as such when, 1) The vendor conducts business in a fully staffed office with a physical address within the County of San Luis Obispo; 2) The vendor holds a valid business license issued by the County or a city within the County; and 3) The vendor has conducted business at the local address for not less than six (6) months prior to the due date of this Request for Proposal..

Proposals received in response to this Request for Proposal will be evaluated by the Selection Committee considering the local vendor preference described above when quality, service and other relevant factors are equal. The burden of proof will lie with proposers relative to verification of "local" vendor preference. Should any questions arise, please contact a buyer at (805) 781-5200.

	YES	NO
Do you claim local vendor preference?		
Do you conduct business in an office with a physical location within the County of San Luis Obispo?		
Business Address: _____ _____		
Years at this Address: _____		
Does your business hold a valid business license issued by the County or a City within the County?		
Name of Local Agency which issued license: _____		

Business Name: \_\_\_\_\_

Authorized Individual: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

**NEXUS STUDY FOR INCLUSIONARY HOUSING AND LINKAGE ORDINANCE****PROPOSAL SUBMITTAL AND SELECTION**

1. All proposals, consisting of four (4) hard copies and one (1) electronic copy (on CD) must be received by mail, recognized carrier, or hand delivered no later than 3:00 p.m. on October 24, 2011. Late proposals will not be considered and will be returned, unopened.
2. All correspondence should be directed to:

San Luis Obispo County  
General Services Agency  
1087 Santa Rosa Street  
San Luis Obispo, CA 93408  
ATTENTION: Phill Haley  
Telephone: (805) 781-5904

3. All costs incurred in the preparation and submission of proposals and related documentation will be borne by the proposer.
4. It is preferred that all proposals be submitted on recycled paper, printed on two sides.
5. Selection of qualified proposers will be by an impartial Selection Committee using an approved County procedure for awarding professional contracts. Selection will be made on the basis of the proposals as submitted, although the County reserves the right to interview applicants as part of the selection process. The proceedings of the Selection Committee are confidential, and members of the Selection Committee are not to be contacted by the proposers.
6. This Request for Proposal does not constitute an offer of employment or to contract for services.
7. The County reserves the option to accept or reject any or all proposals, wholly or in part, received by reason of this request, and make more than one award, or no award, as the best interests of the County may appear.
8. All documents submitted to the County in response to this Request for Proposal will become the exclusive property of the County and may be returned to the proposer or kept by the County, in the County's sole discretion.
9. All proposals shall remain firm for sixty (60) days following closing date for receipt of proposals.
10. The County reserves the right to award the contract to the firm who presents the proposal which in the judgment of the County, best accomplishes the desired results, and shall include, but not be limited to, a consideration of the professional service fee.
11. Any contract awarded pursuant to this Request for Proposal will incorporate the requirements and specifications contained in this Request for Proposal. All information presented in a proposer's proposal will be considered binding upon selection of the successful proposer, unless otherwise modified and agreed to by the County during subsequent negotiations.
12. The successful proposer is expected to execute a contract similar to the contract in Appendix

**NEXUS STUDY FOR INCLUSIONARY HOUSING AND LINKAGE ORDINANCE**

A. This sample contract is for reference to the anticipated terms and conditions governing the County and the successful proposer. The proposer must take exception in their proposal to any section of the attached contract they do not agree with. Failing to do so will be deemed as acceptance by the proposer to the terms spelled out in the sample contract. The County reserves the right, in its sole discretion, to add, delete, or modify, or negotiate additional terms and conditions to the attached contract. BEFORE BEGINNING ANY WORK OR SUBMITTING A PROPOSAL IT IS ADVISED THAT PROPOSERS READ THE COUNTY INSURANCE AND INDEMNIFICATION REQUIREMENTS IN THE ATTACHED SAMPLE CONTRACT. The selected proposer will be asked to provide evidence that County insurance requirements have been met. See Appendix A – Sample County Contract, and in the Sample County Contract the insurance requirements are found in Exhibit A.

13. Under the provisions of the California Public Records Act (the “Act”), Government Code section 6252 et seq., all “public records” (as defined in the Act) of a local agency, such as the County, must be available for inspection and copying upon the request of any person. Under the Act, the County may be obligated to provide a copy of any and all responses to this Request for Proposal, if such requests are made after the contract is awarded. One exception to this required disclosure is information which fits within the definition of a confidential trade secret [Government Code section 6254(k)] or contains other technical, financial or other data whose public disclosure could cause injury to the proposer’s competitive position. If any proposer believes that information contained in its response to this Request for Proposal should be protected from disclosure, the proposer MUST specifically identify the pages of the response that contains the information by properly marking the applicable pages and inserting the following notice in the front of its response:

***NOTICE:*** *The data on pages \_ of this response identified by an asterisk (\*) contain technical or financial information, which are trade secrets, or information for which disclosure would result in substantial injury to the proposer’s competitive position. Proposer requests that such data be used only for the evaluation of the response, but understands that the disclosure will be limited to the extent the County considers proper under the law. If an agreement is entered into with the proposer, the County shall have the right to use or disclose the data as provided in the agreement, unless otherwise obligated by law.*

The County will not honor any attempt by proposer to designate its entire proposal as proprietary. If there is any dispute, lawsuit, claim or demand as to whether information within the response to the Request for Proposal is protected from disclosure under the Act, proposer shall indemnify, defend, and hold harmless, the County arising out of such dispute, lawsuit, claim or demand.

14. An electronic copy of your proposal must be included. This electronic copy should include all documents being submitted combined into one Adobe Acrobat (pdf) file on a CD, using this convention for the file name: FIRM NAME + RFP NUMBER (e.g., if your firm is Acme Inc. and you are responding to RFP #1101, your Acrobat (pdf) file would be named: **ACME 101.pdf**)

Additionally, if you deem any part of your proposal as proprietary and not to be disclosed under

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the California Public Records Act as explained in item 13 above, please mark the CD with the phrase **“Proprietary Information Included”**. This can be hand written or printed on the CD label.

**PROPOSAL FORMAT**

A qualifying proposal must address all of the following points and shall be in the format outlined in this section:

1. Project Title
2. Applicant or Firm Name
3. Firm Qualifications
  - a. Type of organization, size, professional registration and affiliations.
  - b. Names and qualifications of personnel to be assigned to this project.
  - c. Outline of recent projects completed that are directly related to this project. Consultant is required to demonstrate specific design and project expertise relating to the requirements of the Project Scope.
  - d. Qualifications of consultants, subcontractors, or joint venture firm, if appropriate.
  - e. Client references from recent related projects, including name, address and phone number of individual to contact for referral.
4. Understanding of and Approach to the Project
  - a. Summary of approach to be taken.
  - b. Description of the organization and staffing to be used for the project.
  - c. Indication of information and participation the proposer will require from County staff.
  - d. Indication of time frame necessary to complete the plan review once a Notice to Proceed is issued.
5. Fees and Insurance
  - a. Propose total fixed fees to complete project as described under Project Scope.
  - b. The selected Consultant will be required to provide insurance coverage in the amount of \$1 million General Liability Insurance and \$1 million of Professional Liability Insurance. This amount of insurance coverage shall be reflected in your estimated professional fee.

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- c. The Consultant shall provide within five (5) days after the Notice of Award is issued a certificate of liability insurance naming the County of San Luis Obispo and its employees and officers as additionally named insured. This shall be maintained in full force and effect for the duration of the contract and must be in an amount and format satisfactory to the County.
- d. **Indemnification:**
- e. Consultant shall defend, indemnify and hold harmless the County, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, liabilities or other losses that may be asserted by any person or entity, and that arise out of or are made in connection with the acts or omissions relating to the performance of any duty, obligation, or work hereunder. The obligation to indemnify shall be effective and shall extend to all such claims and losses, in their entirety, even when such claims or losses arise from the comparative negligence of the County, its officers and employees. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the County, its officers and employees.
- f. The preceding paragraph applies to any theory of recovery relating to said act or omission, by the Consultant, or its agents, employees, or other independent contractors directly responsible to Consultant including, but not limited to the following:
  - g. Violation of statute, ordinance, or regulation.
  - h. Professional malpractice.
  - i. Willful, intentional or other wrongful acts, or failures to act.
  - j. Negligence or recklessness.
  - k. Furnishing of defective or dangerous products.
  - l. Premises liability.
  - m. Strict Liability.
  - n. Violation of civil rights.
  - o. Violation of any federal or state statute, regulation, or ruling resulting in a determination by the Internal Revenue Service, California Franchise Tax Board or any other California public entity responsible for collecting payroll taxes, when the Consultant is not an independent contractor.
  - p. It is the intent of the parties to provide the County the fullest indemnification, defense, and "hold harmless" rights allowed under the law. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be severed from this contract and the remaining language shall be given full force and effect.

**NEXUS STUDY FOR INCLUSIONARY HOUSING AND LINKAGE ORDINANCE****PROJECT SCOPE****Nexus Study for Inclusionary Housing and Linkage Ordinance**

Prepare a nexus study to be used as a basis to establish the impacts to affordable housing created by new residential development, a percentage of residential dwelling units in a given residential project to be provided as affordable housing, and the amount of an in-lieu fee. At a minimum, the following tasks shall be completed:

1. Describe the County's need for affordable housing broken down into the five income groups identified in the County's ordinances (See Affordable Housing Standards Bulletin at the following link: <http://www.slocounty.ca.gov/Assets/PL/Housing/affhousing.pdf>);
2. Demonstrate the nexus between new residential development and impacts to affordable housing;
3. Demonstrate how affordable housing resulting from the Inclusionary Housing Ordinance and the Linkage Ordinance will aid in meeting the County's affordable housing need;
4. Analyze local land market and housing market conditions and trends in developing the nexus between new residential development and the need for affordable housing and the amounts of appropriate in-lieu fees;
5. Analyze existing and possible development incentives including provisions of State Density Bonus Law; and
6. Update the County's previous Economic Feasibility Analysis and cost methodology to be used as a basis for establishing the amounts of both the Inclusionary Housing in-lieu fee and Linkage impact fee and to assure the appropriate in-lieu fee amounts for each type of development in relation to the correlated impact to affordable housing.

**Background**

The County adopted the Inclusionary Housing Ordinance in response to a severe affordable housing shortage. That ordinance includes a requirement of new residential developments to provide affordable housing (referred to herein as "Inclusionary Housing Ordinance") and a requirement of new nonresidential developments to pay an affordable housing impact fee (referred to herein as "Linkage Ordinance"). The ordinance requires the production of affordable housing. Prior to adoption of the ordinance in 2008 the County commissioned a nexus study for the Linkage Ordinance and a financial feasibility study for the Inclusionary Housing Ordinance. Copies of these studies are available from the County Planning and Building Department. The ordinance provisions can be found online at the following link: <http://www.slocounty.ca.gov/Assets/PL/Land+Use+Ordinances/Title+22+-++Land+Use+Ordinance/01+-+Title+22+-+Land+Use+Ordinance+-+Article+1+through+8.pdf> (see Section 22.12.080). The ordinance is flexible, providing a mix of incentives and mandates for affordable housing as described below:

**Residential Projects (Inclusionary Housing Ordinance):**

- 20% of new units shall be affordable (Originally intended to be phased in over five years, but the County has not shifted it above 4% to date in recognition of the continuing weak economy)
- The income targeting for the required affordable housing units follows this sequence:

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- First affordable housing unit – workforce (up to 160% of area median income).
- 2<sup>nd</sup> unit –moderate income (up to 120% of median income).
- 3<sup>rd</sup> unit - low income (up to 80% of median income).
- 4<sup>th</sup> unit - very low income (up to 50% of median income).
- Options available to the developer:
  - Provide affordable housing units on-site or off-site.
  - Pay a fee in-lieu of building the affordable units (currently approximately \$100,000 per required affordable housing unit).
  - Donate land to an affordable housing organization that will build within five years.
  - Any mix of the above options – for example, a developer could build moderate income units on-site and pay the in-lieu fee for the low income units.

**Commercial Projects (Linkage Ordinance):**

- Pay a housing impact fee (approx. \$800 per employee = \$2.11/square feet of retail space, \$0.98/square feet of warehouse space).
- Options available to the developer:
  - Provide employee housing (on-site or off-site, by building the housing units or providing financial aid for employees to obtain housing)
  - Donate land to an affordable housing organization that will build within five years.

**Features:**

- Five year phase-in period, in response to the poor economy and to allow the local market time to adjust to the new ordinance.
- Defer fee payment until final permit approval, to allow cash-flow that can pay for the fees.
- Density bonus – grant one additional on-site market unit for every inclusionary unit built on-site or off-site. The goal is to encourage construction of affordable housing units instead of fee payment.
- Reduce inclusionary requirement by 25% whenever all ordinance requirements are met by providing inclusionary units on-site. The goal is to encourage placement of affordable units in projects throughout the community rather than concentrated in a few locations.
- Sliding in-lieu fee scale rewards smaller, more affordable market-rate units. The larger the sizes of homes in a project, the higher in-lieu fees will be.
- Mixed-use projects are encouraged – the commercial area is exempt and the residential area is subject to ordinance.
- Near market-price units – long term affordability requirements are adjusted when there's little difference in sales price between market units and affordable units to ensure that the affordable units will be purchased.
- Subdivisions of land are subject to the ordinance.
- Housing Market Areas – off-site units and fee supported units must be near the donating project.
- Fees are adjusted annually based on changes in construction cost indexes.



## NEXUS STUDY FOR INCLUSIONARY HOUSING AND LINKAGE ORDINANCE

## Attachment A Sample Contract

### CONTRACT FOR SPECIAL SERVICES BY INDEPENDENT CONTRACTOR

THIS CONTRACT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the COUNTY OF SAN LUIS OBISPO (hereinafter referred to as "County") and \_\_\_\_\_, an independent contractor (hereinafter referred to as "Contractor").

#### W I T N E S S E T H

**WHEREAS**, the County of San Luis Obispo has need for special services and advice in \_\_\_\_\_; and

**WHEREAS**, Contractor is specially trained, experienced, expert and competent to perform such special services;

**NOW, THEREFORE**, the parties mutually agree as follows:

1. **Scope of Services.** Pursuant to this Contract, Contractor shall provide to County the following special services:

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2. **Compensation.** County shall pay to Contractor as compensation in full for all services performed by Contractor pursuant to this Contract, the sum of not to exceed \$\_\_\_\_\_, within thirty (30) days after the receipt of an itemized statement from Contractor required by paragraph 3 herein, which has been previously approved by an appropriate representative of the County Department for whom contractor is directly working.

3. **Billing.** Contractor shall submit to the County, on a \_\_\_\_\_ basis, a detailed statement of services performed during that preceding period, including the number of hours of work performed.

4. **Term of Contract.** This Contract shall commence on \_\_\_\_\_, and shall terminate on \_\_\_\_\_, unless said work is completed on a date prior thereto or unless terminated earlier as provided herein. Termination of the Contract may be effectuated by the Department Head without the need for action, approval or ratification of the Department of General Services.

5. **Termination of Contract for Convenience of Either Party.** Either party may terminate this Contract at any time by giving to the other party \_\_\_\_\_ days written notice of such

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termination. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Contractor shall be paid for all work satisfactorily completed prior to the effective date of said termination.

**6. Termination of Contract for Cause.** If contractor fails to perform Contractor's duties to the satisfaction of the County or if Contractor fails to fulfill in a timely and professional manner Contractor's obligations under this contract or if Contractor shall violate any of the terms or provisions of this Contract or if Contractor, Contractor's agents or employees fail to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the County or if \_\_\_\_\_, then County shall have the right to terminate this Contract effective immediately upon the County giving written notice thereof to the Contractor. Termination shall have no affect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Contractor shall be paid for all work satisfactorily completed prior to the effective date of such termination. If County's termination of Contractor for cause is defective for any reason, including but not limited to County's reliance on erroneous facts concerning Contractor's performance, or any defect in notice thereof, County's maximum liability shall not exceed the amount payable to Contractor under paragraph 5 above.

**7. Equal Employment Opportunity.** During the performance of this contract, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, and hereby promises to comply with the provision on contractor agreements contained in Presidential Executive Order Number 11246 as amended by Executive Order 11375 and as supplemented in Department of Labor regulation (41 CFR Part 60).

**8. Entire Agreement and Modification.** This Contract supersedes all previous contracts and constitutes the entire understanding of the parties hereto. Contractor shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. Contractor specifically acknowledges that in entering into and executing this Contract, Contractor relies solely upon the provisions contained in this Contract and no others.

**9. Non-Assignment of Contract.** Inasmuch as this Contract is intended to secure the specialized services of the Contractor, Contractor may not assign, transfer, delegate or sublet any interest therein without the prior written consent of County and any such assignment, transfer, delegation or sublease without the County's prior written consent shall be considered null and void.

**10. Covenant.** This Contract has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Contract shall be determined and governed by the laws of the State of California. All duties and obligations of the

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parties created hereunder are performable in San Luis Obispo County and such County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Contract.

**11. Enforceability.** If any term, covenant, condition or provision of this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

**12. Employment Status.** Contractor shall, during the entire term of the Contract, be construed to be an independent Contractor and nothing in this Contract is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Contractor performs the services which are the subject matter of this Contract; provided always, however, that the services to be provided by Contractor shall be provided in a manner consistent with all applicable standards and regulations governing such services.

Contractor understands and agrees that Contractor's personnel are not and will not be eligible for membership in or any benefits from any County group plan for hospital, surgical or medical insurance or for membership in any county retirement program or for paid vacation, paid sick leave or other leave, with or without pay or for any other benefit which accrues to a County employee.

**13. Warranty of Contractor.** Contractor warrants that Contractor and each of the personnel employed or otherwise retained by Contractor are properly certified and licensed under the laws and regulations of the State of California to provide the special services herein agreed to.

**14. Indemnification.** Consultant shall defend, indemnify and hold harmless the County, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, liabilities or other losses that may be asserted by any person or entity, and that arise out of or are made in connection with the acts or omissions relating to the performance of any duty, obligation, or work hereunder. The obligation to indemnify shall be effective and shall extend to all such claims and losses, in their entirety, even when such claims or losses arise from the comparative negligence of the County, its officers and employees. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the County, its officers and employees.

The preceding paragraph applies to any theory of recovery relating to said act or omission, by the Consultant, or its agents, employees, or other independent contractors directly responsible to Consultant including, but not limited to the following:

1. Violation of statute, ordinance, or regulation.
2. Professional malpractice.

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3. Willful, intentional or other wrongful acts, or failures to act.
4. Negligence or recklessness.
5. Furnishing of defective or dangerous products.
6. Premises liability.
7. Strict Liability.
8. Violation of civil rights.
9. Violation of any federal or state statute, regulation, or ruling resulting in a determination by the Internal Revenue Service, California Franchise Tax Board or any other California public entity responsible for collecting payroll taxes, when the Consultant is not an independent contractor.

It is the intent of the parties to provide the County the fullest indemnification, defense, and "hold harmless" rights allowed under the law. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be severed from this contract and the remaining language shall be given full force and effect.

**15. Insurance.** Contractor, at its sole cost and expense, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement. Such policies shall be maintained for the full term of this Agreement and related warranty period (if applicable) and shall provide products/completed operations coverage for four (4) years following completion of Contractor's work under this Agreement and acceptance by the County. Any failure to comply with reporting provisions(s) of the policies referred to above shall not affect coverage provided to the County, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term "County" shall include officers, employees, volunteers and agents of the County if San Luis Obispo, California, individually or collectively.

**1. MINIMUM SCOPE AND LIMITS OF REQUIRED INSURANCE POLICIES**

The following policies shall be maintained with insurers authorized to do business in the State of California and shall be issued under forms of policies satisfactory to the County:

**a. COMMERCIAL GENERAL LIABILITY INSURANCE POLICY ("CGL")**

Policy shall include coverage at least as broad as set forth in Insurance Services Office (herein "ISO") Commercial General Liability coverage. (Occurrence Form CG 0001) with policy limits not less than the following:

- \$1,000,000 each occurrence (combined single limit);
- \$1,000,000 for personal injury liability;
- \$1,000,000 aggregate for products-completed operations; and,
- \$1,000,000 general aggregate.

The general aggregate limits shall apply separately to Contractor's work under this

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Agreement.

b. **BUSINESS AUTOMOBILE LIABILITY POLICY ("BAL")**

Policy shall include coverage at least as broad as set forth in Insurance Services Office Business Automobile Liability Coverage, Code 1 "Any Auto" (Form CA 0001). This policy shall include a minimum combined single limit of not less than One-million (\$1,000,000) dollars for each accident, for bodily injury and/or property damage. Such policy shall be applicable to vehicles used in pursuit of any of the activities associated with this Agreement. Contractor shall not provide a Comprehensive Automobile Liability policy which specifically lists scheduled vehicles without the express written consent of County.

c. **WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY ("WC/EL")**

This policy shall include at least the following coverages and policy limits:

1. Workers' Compensation insurance as required by the laws of the State of California; and
2. Employer's Liability Insurance Coverage B with coverage amounts not less than one million (\$1,000,000) dollars each accident/Bodily Injury (herein "BI"); one million (\$1,000,000) dollars policy limit BI by disease; and, one million (\$1,000,000) dollars each employee BI by disease.

d. **PROFESSIONAL LIABILITY INSURANCE POLICY ("PL")**

This policy shall cover damages, liabilities, and costs incurred as a result of Contractor's professional errors and omissions or malpractice. This policy shall include a coverage limit of at least One Million Dollars (\$1,000,000) per claim, including the annual aggregate for all claims (such coverage shall apply during the performance of the services under this Agreement and for two (2) years thereafter with respect to incidents which occur during the performance of this Agreement). Contractor shall notify the County if any annual aggregate is eroded by more than seventy-five percent (75%) in any given year.

2. **DEDUCTIBLES AND SELF-INSURANCE RETENTIONS**

Any deductibles and/or self-insured retentions which apply to any of the insurance policies referred to above shall be declared in writing by Contractor and approved by the County before work is begun pursuant to this Agreement. At the option of the County, Contractor shall either reduce or eliminate such deductibles or self-insured retentions as respect the County, its officers, employees, volunteers and agents, or shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and/or defense expenses.

3. **ENDORSEMENTS**

All of the following clauses and endorsements, or similar provisions, are required to be made a part of insurance policies indicated in parentheses below:

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a. "Cross Liability", "Severability of Interest" or "Separation of Insureds" clause (CGL & BAL);

b. The County of San Luis Obispo, its officers, employees, volunteers and agents are hereby added as additional insureds with respect to all liabilities arising out of Contractor's performance of work under this Agreement (CGL & BAL);

c. If the insurance policy covers an "accident" basis, it must be changed to "occurrence" (CGL & BAL);

d. Contractor, at its sole cost and expense, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement. Such policies shall be maintained for the full term of this Agreement and related warranty period (if applicable) and shall provide products/completed operations coverage for four (4) years following completion of Contractor's work under this Agreement and acceptance by the County. Any failure to comply with reporting provisions(s) of the policies referred to above shall not affect coverage provided to the County, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term "County" shall include officers, employees, volunteers and agents of the County if San Luis Obispo, California, individually or collectively. No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) days prior to the effective date of such reduction or cancellation to County at the address set forth below (CGL, BAL, WC/EL & PL);

f. Contractor and its insurers shall agree to waive all rights of subrogation against the County, its officers, employees, volunteers and agents for any loss arising under this Agreement (CGL); and

g. Deductibles and self-insured retentions must be declared (All Policies).

4. **ABSENCE OF INSURANCE COVERAGE**

County may direct Contractor to immediately cease all activities with respect to this Agreement if it determines that Contractor fails to carry, in full force and affect, all insurance policies with coverages at or above the limits specified in this Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered Contractor's delay and expense. At the County's discretion, under conditions of lapse, the County may purchase appropriate insurance and charge all costs related to such policy to Contractor.

5. **PROOF OF INSURANCE COVERAGE AND COVERAGE VERIFICATION**

Prior to commencement of work under this Agreement, and annually thereafter for the term of this Agreement, Contractor, or each of Contractor's insurance brokers or companies, shall provide County a current copy of a Certificate of Insurance, on an Accord or similar form, which includes complete policy coverage verification, as evidence of the stipulated coverages. All of the insurance

**NEXUS STUDY FOR INCLUSIONARY HOUSING AND LINKAGE ORDINANCE**

companies providing insurance for Contractor shall have, and provide evidence of, A.M. Best Rating of "A-FSCVII" or above. The Certificate of Insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to:

List County Department & Contact

**16. Records.**

a. Contractor shall keep complete and accurate records for the services performed pursuant to this Contract and any records required by law or government regulation and shall make such records available to County upon request.

b. Contractor shall assure the confidentiality of any records that are required by law to be so maintained.

c. Contractor shall prepare and forward such additional or supplementary records as County may reasonably request.

**18. Notices.** Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent by first class mail to the County at:

\_\_\_\_\_  
\_\_\_\_\_

and to the Contractor:

\_\_\_\_\_  
\_\_\_\_\_

**19. Cost Disclosure - Documents and Written Reports.**

Pursuant to Government Code section 7550, if the total cost of this Contract is over \$5,000, the Contractor shall include in all final documents and in all written reports submitted a written summary of costs, which shall set forth the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such documentation or written report. The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report.

**IN WITNESS THEREOF**, County and Contractor have executed this Contract on the \_\_\_\_\_ day and year first herein above set forth.

**CONTRACTOR**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**COUNTY OF SAN LUIS OBISPO**

By: \_\_\_\_\_

Title: \_\_\_\_\_